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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/781,145	02/17/2004	John S. Erickson	P0935	6057

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DIGIMARC CORPORATION
9405 SW GEMINI DRIVE
BEAVERTON, OR 97008

EXAMINER

CALLAHAN, PAUL E

ART UNIT	PAPER NUMBER
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2137

DATE MAILED: 04/08/2005

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary	Application No. 10/781,145	Applicant(s) ERICKSON, JOHN S.	
	Examiner Paul Callahan	Art Unit 2137	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 08 December 2004.
- 2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-20 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☒ Claim(s) 8-12 and 14 is/are allowed.
- 6) ☒ Claim(s) 1-7, 13 and 15-20 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
2. ☐ Certified copies of the priority documents have been received in Application No. _____.
3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
- * See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413)
Paper No(s)/Mail Date. _____ |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | 5) <input type="checkbox"/> Notice of Informal Patent Application (PTO-152) |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)
Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____ |

DETAILED ACTION

Response to Amendment

1. Claims 1-14 were pending in this application at the time of the previous Office Action. New claims 15-20 have been added by the latest Amendment. Therefore claims 1-20 are pending and have been examined.

Response to Arguments

2. Applicant's arguments, filed 12-8-2004, with respect to the rejections of claims 2 and 7 under 35 USC 112 2nd paragraph have been fully considered and are persuasive. The rejections have been withdrawn.

3. Applicant's arguments filed 12-8-2004 regarding the rejection of the claims under 35 USC 102(b) and 103(a) have been fully considered but they are not persuasive.

a.) 35 USC 102(b) Rejections:

The applicant argues in traverse of the rejection of claim 1 as clearly anticipated by Earnest '798 by asserting that the reference fails to teach the claim limitation of "sending a signal from the user device requesting additional permissions". Yet a careful reading of Earnest shows that such is indeed taught at the cited passage. It is inherent in the system of Earnest that a request must be sent to the vendor for additional capability keys. The applicant attempts to distinguish the teaching of Earnest from the claimed invention by postulating that a request for additional capability keys could be

sent by paper mail. Assuming arguendo that such is the mechanism contemplated by Earnest, it must be noted that the precise mechanism of contact is not found in the applicant's claim 1 either and could just as well be carried out by paper mail.

Additionally, the invention of Earnest is delimited to a computer-based method in the Abstract and in col. 2 lines 50-55, and clearly contemplates network-based distribution of capability keys at least in, for example, col. 15, lines 45-55.

The applicant argues in traverse of the rejection of claim 13 by asserting it was done in an improper omnibus manner with claim 1 by virtue of the additional claim limitation found in the claim and not in claim 1 of prohibition of a transmission. Yet the prohibition of use of the digital media content of claim 1 inherently includes such transmission as, for example, from a decoder unit in a CPU to an audio broadcast device such as a set of stereo speakers.

The applicant argues in traverse of the rejection of claim 4 that there is no teaching in Earnest of contacting a vendor for the request for additional capability keys. Yet such is taught at, for example at col. 1 line 15-25 where a user is taught as paying for the capability of utilizing software, a feature that would necessitate a payment / request step.

The Applicant's argument in traverse of claim 5 is countered by noting that the system of Earnest does indeed notify the user that the use of a media in a first manner is unauthorized. This is done by denial of access to the digital content and reset of capability key fields and a subsequent screen print of this condition as per the code found in Table 3 of the Patent.

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The applicant's argument in traverse of the rejection of claim 7 is moot in light of the new grounds of rejection offered infra.

b.) 35 USC 103(a) rejections:

The applicant argues in traverse of the rejection of claim 2 by asserting that the system of Moore '527 does not teach prevention of the use of software if the comparison between hash values fails. However a careful reading of Moore indicates that such is the case at the passage cited in the previous Office Action. The applicant asserts that the claimed invention may be distinguished from the teachings of Moore because a user is then free to utilize the corrupted software. The applicant does not offer a citation to support this claim.

Claim Rejections - 35 USC § 102

4. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of application for patent in the United States.

5. Claims 1, 4, 5, 13, and 15-20 are rejected under 35 U.S.C. 102(b) as being clearly anticipated by Earnest, US 4,888,798.

As for claims 1 and 15, 16, and 19, Earnest teaches a method for protecting electronic media (abstract) comprising: encrypting the media (abstract) transmitting the encrypted media, together with data indicating a first set of permissions (col. 2 lines 60-67) to a user device; decrypting and using the electronic media at the user device in accordance with the first set of permissions (col. 3 lines 1-22); sending a signal from the user device requesting additional permissions (col. 3 lines 10-15); receiving at the user device data representing additional permissions (col. 3 lines 10-15); and using the electronic media at the user device in accordance with the additional permissions (col. 3 lines 10-15).

As for claims 13, the claim is identical to claim 1 save for the additional limitations of the electronic media being a "content object containing text" and use of the electronic media constituting performing a function using said content. A reasonably broad interpretation of "electronic media" and its use, as taught by Earnest, includes the content object and performing a function using it as recited by claim 13. Therefore claim 13 is rejected on the same basis as is claim 1.

As for claim 4, Earnest teaches a method for protecting electronic media (abstract) comprising: storing encrypted media on a user device (col. 2 lines 60-67); receiving a request to utilize the media in a first manner (col. 3 lines 1-22); checking first license data on the user device to determine the whether the use of the stored media in the first manner is authorized (col. 3 lines 28-35); and if not, contacting a remote server,

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performing a licensing transaction with the remote server resulting in issuance of second license data; storing the second license data on the user device, and decrypting the media for use (col. 3 lines 10-15).

As for claim 5, Earnest teaches informing the user if checking determines that use of the stored media in the first manner is not authorized, prior to contacting a remote server for a second permissions set (col. 8 lines 33-44, col. 12 lines 1-8).

As for claim 20, Earnest teaches separate conveyance of the initial set of data and the usage rights (col. 15 lines 40-45).

As for claims 17 and 18, prohibition of a modify and a save function are inherent to the system of Earnest wherein any access whatsoever to the digital media content is prevented absent the usage keys.

6. Claim 7 is rejected under 35 U.S.C. 102(b) as being clearly anticipated by Ross et al, US 5,553,143. The abstract of Ross teaches a rights management software development kit used to modify an application to impart rights management functionality to an application.

Claim Rejections - 35 USC § 103

7. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

8. Claim 2 is rejected under 35 U.S.C. 103(a) as being unpatentable over Earnest as applied to claim 1 above and Moore US 5,343,527.

Earnest teaches the limitations of claim 1 found in common with claim 2, but does not teach the added limitations found in claim 2 of a server that computes a one way hash function on data representing the content, yielding hash data, then encrypting the hashed data, transmitting the hash data to the user, wherein the application program then checks the authenticity of the delivered content by reference to the encrypted hash data. Moore does teach these steps (fig. 3, fig. 4, fig. 6 see esp. item 617 "Comparator"). Therefore it would have been obvious to one of ordinary skill in the art at the time of the invention to incorporate this feature into the system of Earnest. It would have been desirable to do so as this would increase the security of the data transport in Earnest. Motivation to make this combination can be found, for example in col. 8 lines 34-40 where authentication of a copy of a software program is discussed.

8. Claim 3 is rejected under 35 U.S.C. 103(a) as being unpatentable over Earnest and Moore as applied to claim 2 above, and further in view of Pintsov US 5,586,036.

The combination of Earnest and Moore does not teach the feature found in claim 3 of encryption of hashed data by use of a key associated with a user. However Pintsov does teach this feature (Abstract). Therefore it would have been obvious to one of ordinary skill in the art at the time of the invention to incorporate this feature into the system of Earnest and Moore. Moore discusses the desirability of making this combination, for example, in col. 8 lines 34-40 where authentication of a copy of a software program is discussed.

9. Claim 6 is rejected under 35 U.S.C. 103(a) as being unpatentable over Earnest as applied to claim 4 above, and Halter et al. US 5,319,705.

Earnest fails to teach transmission of a second set of license information encrypted under a key associated with an intended licensee. Halter does teach transmission of license information under such a key in col. 9 lines 1-15. Therefore it would have been obvious to one of ordinary skill in the art at the time of the invention to incorporate this feature into the system of Earnest. Motivation to make this combination may be found, for example, at the abstract where maintain "central control" over which elements of electronic media are unlocked is discussed. Encryption of license information under a key associated with a user-licensee would facilitate this end.

Allowable Subject Matter

10. Claims 8-12 and 14 are allowed.

Conclusion

11. Applicant's amendment necessitated the new ground(s) of rejection presented in this Office action. Accordingly, **THIS ACTION IS MADE FINAL**. See MPEP § 706.07(a). Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the date of this final action.

12. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Paul E. Callahan whose telephone number is (703) 305-1336. The examiner can normally be reached on M-F from 9 to 5.

If attempts to reach the examiner by telephone are unsuccessful, the Examiner's supervisor, Andrew Caldwell, can be reached on (703) 306-3036. The fax phone number for the organization where this application or proceeding is assigned is: (703) 872-9306. Any inquiry of a general nature or relating to the status of this application or

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proceeding should be directed to the receptionist whose telephone number is (703) 305-3900.

4/2/05

Paul G. Allen

Andrew Caldwell

**ANDREW CALDWELL
SUPERVISORY PATENT EXAMINER**